REVENUE AND FINANCE

Country Spirits.

411. The number of cases relating to illicit distillation and kindred offences increased from 170 to 189 during the year, the largest number being 134 (122) from Bangalore District.

Toddy.

412. The total number of offences relating to illicit manufacture of toddy was 18 (10).

413. The number of cases reported under hemp drugs was 203 (142). Of these cases, 10 related to illegal cultivation of ganja, 2 on account of unlicensed sale, 19 for possession without licenses and 172 for breaches of license conditions.

414. The number of offences reported under Opium Act was 57 (110). Of these, 4 cases related to possession of opium and the balance of 53 (108) cases to breaches of license conditions.

Old arrears.

415. Out of Rs. 14,89,447 outstanding at the beginning of the year after separately accounting for the amount of Railway and Education cessess, a sum of Rs. 7,17,493-9-1 was collected leaving a balance of Rs. 7,71,982-11-10 at the close of the year.

Incidence of Taxation.

416. The incidence of taxation per head of population computed in respect of the wet districts of the State excluding the dry areas was Rs. 5-6-2 (Rs. 3-12-5).

(iii) Sales Tax.

417. The Commissioner of Excise continued to be the *Ex-officio* Commissioner of Sales Tax. There were two Deputy Commissioners' Divisions and twelve Sales Tax Officers' Circles inclusive of the Non-resident Dealers Circle.

418. The Mysore Sales Tax Amended Act came into force from 1st April 1955. The amendments introduced far-reaching changes regarding levy and collection of sales tax. Forty-three articles were brought under single-point levy and the list of exempted articles was enlarged.

419. The 29th day of September 1955 was appointed to be the date on which all sections of the said Act (except sections 2, 3, 4, 5, 8, 9 and 12 which had already come in to force) shall come into force in the State.

420. An Appellate Tribunal was continued to exercise the functions conferred on the Tribunal under the said Acts.

421. Revised percentages of deductions allowable on labour in respect of works contracts were prescribed in 1955.

422. Orders were issued on 10th January 1956 to reduce the rate of tax payable under the Mysore Sales Tax Act to the rate specified thereof in respect of turnover of such persons during the period between 1st April 1955 and 14th July 1955 in regard to the sale of the goods specified below :—

Class of dealers	Class of goods	Rate of tax
1. First dealer in the State having a place of business in the State of Mysore.	Beedies	One pie per rupee of the turnover.
2. Do ...	Cigarettes which are sold by the first dealer at less than three pies per cigarette and are to be sold at any retail point to the consumer at not more than three pies per cigarette.	Three pies per rupee of the turnover.
3. Do ...	Cigars and cheroots which are sold by the first dealer at less than two annas per cigar or cheroot and are to be sold at any retail point to the consumer at not more than two annas per cigar or cheroot.	Three pies per rupee of the turnover.

423. In Bellary District, the Madras General Sales Tax Act, 1939, the Madras Tobacco (Taxation on Sales and Registration) Act, 1939 and the Madras Sales of Motor Spirit (Taxation) Act, 1939, continued to be in operation throughout the year.

424. In March 1956, orders were issued appointing the 1st April 1956 as the date on which the Mysore Sales Tax Act, 1948 and the Motor Spirit (Taxation on Sales) Act, 1949, shall extend to Bellary District.

REVENUE AND FINANCE

425. Out of 23,358 registered dealers and dealers assessed to tax though not registered, 12,722 were assessed to tax and 7,682 were treated as having a turnover below the taxable minimum, leaving 2,954 (2,566) cases pending assessment at the close of the year. The amount of registration fees collected amounted to Rs. 1,38,324 (Rs. 1,35,637).

426. The number of licenses issued and renewed during the year was 9,320 (2,071). The amount of license fee collected was Rs. 4,82,808 (Rs. 4,18,131).

427. The demand, collection and balance under Sales Tax both under arrears and current demand were Rs. 2,07,76,488, Rs. 1,54,74,753-13-11 and Rs. 53,01,734-6-11, respectively. A sum of Rs. 64,524-13-10 was collected under fines and penalties as against Rs. 72,400-7-6 in the previous year.

428. There were 1,837 (2,017) appeals and 1,625 (1,771) revision petitions to be dealt with during the year. Of these, 1,442 (1,768) appeals and 1,433 (1,335) revision petitions were disposed of leaving a balance of 395 (249) appeal petitions and 192 (436) revision petitions at the close of the year.

429. At the commencement of the year, 1,221 cases were pending in the Magistrates' Courts. During the year, prosecutions were launched in 819 cases for various offences committed by the dealers under the Act.

430. The number of offences disposed of otherwise than prosecution was 4,226 (including the cases pending at the commencement of the year).

431. In 8,355 (5,563) cases involving arrears of Rs. 34,04,025-12-6 (Rs. 19,72,374-8-0), a total sum of Rs. 13,44,365-2-3 (Rs. 6,38,844-9-7) was collected with the assistance of the Revenue Department in 4,783 (1,851) cases including arrear cases.

432. On grounds of under assessment or escapement of assessment under rule 34 of the Mysore Sales Tax Rules, 155 (162) cases were reopened which brought in a revenue of Rs. 73,563-13-0 (Rs. 90,007-8-11).

433. Under Section 5, the benefit of licenses was availed of by 980 dealers. Penalty licenses were issued in all deserving cases where applications were made for grant of

license benefit with retrospective effect after levying suitable penalty. The total amount of license fee collected amounted to Rs. 4,82,807-10-6 as against Rs. 4,18,130-8-0 in the previous year.

434. This is the 8th year of the introduction of the Sales Tax Act. The Amended Act of 1954 came into force from 1st April 1955.

(iv) Mysore Government Insurance Department.

Revision of premium rates.

435. Consequent on the Nationalisation of Life Insurance Business in India, the Government of India introduced uniform premium rates reducing the premiums quoted by the Oriental Life Insurance by Rupee one per thousand sum assured for all ages and terms where the annual premium is Rs. 20 per thousand sum assured or more and by five per cent of the annual premium where the annual premium is less than Rs. 20 under almost all the tables existing in the Oriental. The premium rates of the Public Branch were revised to be in conformity with the standard Indian rates with effect from 1st April 1956.

Insurance in Rural areas.

436. A scheme for making an intensive drive to popularise insurance in rural areas in co-operation with the department of Rural Industrialisation was drawn up.

Housing Scheme for Employees.

437. A Housing Scheme for the benefit of the employees of the Department was under consideration of Government.

Mechanisation Scheme.

438. With the implementation of the mechanisation scheme much progress has been made in accounting and statistical work of the Department.

Amendment to Rules.

439. The Public Branch Rules were amended with a view to give more benefit to the policyholders and make our scheme attractive in the field of business. Some of the important amendments introduced were :—

1. The maximum limit of assurance on first class male lives was enhanced from Rs. 25,000 to Rs. 50,000 and in respect of females from Rs. 10,000 to Rs. 20,000 and the lower limits of assurance in respect of female lives was reduced from Rs. 1,000 to Rs. 500.